



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION

SECOND SEMESTER – APRIL 2013

BU 2501/BU 2500 - FINANCIAL ACCOUNTING

Date: 30/04/2013
Time: 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART- A

Answer ALL Questions:

(10 X 2 = 20)

1. What is Departmental Accounting?
2. Define Hire Purchase System.
3. When is Branch Debtors Account prepared?
4. Mention the different types of Repossession?
5. Define Depreciation.
6. 'A' purchased machinery under the hire purchase system from B. The cash price of the machinery was Rs.15,000. The payment of the purchase is to be made as follows: On signing the agreement Rs.3,000; end of the first year Rs. 5,000; end of the second year Rs. 5,000; end of the third year Rs. 5,000. Calculate the amount of interest included in each installment.
7. Assuming total interest is Rs.800 and number of instalments are 4, calculate interest included in each installment under Inverse Progression Method.
8. A company in Kanpur opened a branch in Delhi in 2012. From the following particulars, prepare Delhi Branch a/c for the year 2012. Goods sent to branch Rs. 15,000; Goods sent to branch for expenses Rs. 6,000; Cash received from the branch Rs.24,000; Stock on 31/12/2012 Rs. 2,300; Petty cash in hand Rs.40.
9. If an asset was purchased for Rs.50,000 on 1/1/2013, what would be its value after three years, if it was depreciated at 10% p.a. by Written Down Value Method?
10. Goods of Rs.18,000 are insured for Rs.70,000 subject to average clause. Los due to fire is assessed at Rs.16,000. Calculate what claim the insured will get from the insurers.

PART- B

Answer any FIVE Questions:

(5 X 8= 40)

11. Explain the basic factors affecting the amount of depreciation.
12. State the steps involved in ascertaining profit or loss under the Net-Worth method.
13. Describe the procedure for computation of claim under 'Loss of Profits' policy.
14. A fire occurred at the premises of the trader on 31.05.2012 destroying a great part of his Goods. His stock at 1.1.2012 was 30% and sales amounted to Rs.1,53,000 from January to date of fire, while for the same period the purchases amounted to Rs.1,03,500. Prepare a statement of Claim.
15. 'X' a retail merchant commenced business with a capital of Rs.12,000 on 1.1.12. Subsequently on 1.5.2012, he invested further capital of Rs.5,000. During the year he has withdrawn Rs.2,000 for his personal use. On 31.12.12, his assets and liabilities were as follows:

Particulars	Rs.
Cash at Bank	3,000
Debtors	4,000
Stock	16,000
Furniture	2,000
Creditors	5,000

Calculate profit or loss made during the year 2012.

16. Apportion the following expenses on the basis of the cost of Goods sold ratio among the four departments A,B,C and D. Sales (Rs.):A-2,00,000; B-1,50,000; C-1,00,000; D- 50,000. G.P. Ratio 20% on sales. Expenses- Salaries Rs.6,000;Rent and rates Rs.1,500; Insurance Rs. 1,300.
17. X purchased a printer on hire purchase system. As per the term, he is required to pay Rs.800 down, Rs.400 at the end of the first year, Rs.300 at the end of the 2nd year and Rs.700 at the end of 3rd year. Interest is charged at 5% per annum. Calculate the total cash price of the printer and the amount of interest payable on each installment
18. From the following data compute gross profit of the branch. Goods received from H.O. at invoice price Rs.60,000; Returns to H.O at invoice price Rs.1,200. Branch stock on 1.4.2010 at invoice price Rs.6,000. Branch stock at invoice price on 31.3.2011 Rs.12,000. Surplus stock (found in Branch stock a/c) Rs.2,400; Goods are invoiced to branch at cost plus 25%.

PART- C

Answer any TWO Questions:

(2X 20= 40)

19. M purchased a machine on hire purchase system on 1st January 2012. The terms of payment re 4 annual installment of Rs.12,690 at the end of each year. Interest is charged at 5% and is included in the annual payment of Rs.12,690. Show machinery account and hire vendor account in the books of M who defaulted in the payment of the 3rd yearly payment were upon the vendor repossessed the machinery. M provides depreciation on the machinery at 10% on the reducing balance.
20. K Ltd., has three departments, A,B & C. From the particulars given below compute:
 (a) The values of Stock as on 31/12/2011.
 (b) The Departmental trading results.

Particulars	A (Rs)	B (Rs)	C(Rs)
Sales on 1/1/2011	24,000	36,000	12,000
Purchases	1,46,000	1,24,000	48,000
Actual Sales	1,72,500	1,59,400	74,600
G.P. on normal selling prices	20%	25%	33 1/3%

During the year, certain items were sold at discount and these discounts were reflected in the values of Sales shown above. The items sold at discounts were:

Department	A (Rs)	B (Rs)	C(Rs)
Sales at normal price	10,000	3,000	1,000
Sales at actual price	7,500	2,400	600

21. A shoe Company opened a branch at Chennai on 1.1.2010. From the following particulars, prepare Chennai branch account for the years 2010 and 2011.

Particulars	2010 (Rs.)	2011 (Rs.)
Goods sent to Chennai Branch	15,000	45,000
Cash sent to Branch for :		
Rent	1,800	1,800
Salaries	3,000	5,000
Other expenses	1,200	1,600
Cash received from the branch	24,000	60,000
Stock on 31st December	2,300	5,800
Petty cash in hand on 31st December	40,000	30,000

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